

Total Compensation Advisory Council (TCAC)

Minutes of the Meeting of June 23, 2006

Present: Patty Goodwin Nancy Brown
John Postolowski Barbara McBride

DPA Dave Kaye **Guest**
Vinita Biddle
Sue Huang
Selena Espino
Tina Miller

Dave Kaye chaired the meeting and the minutes from March 23, 2006, were approved as written.

Legislation Updates:

Mr. Kaye updated the Council on some legislation initiatives:

1. HB06-1195 – Passed. Changed to increments of one-day suspensions for failure to rate instead of one-week increments based on the revised federal overtime regulations.
2. HB06-1256 – Passed. Modified certain provisions of total compensation related to the ambiguous language from the FY 2003-04 “freeze year” related to SB03-273.
3. HB06-1199 – Not passed. Would have addressed the in-grade hiring policy. The legislature believed the current statute was sufficiently flexible and our issues could be addressed in rule. The rule change providing further definition was effective July 1, 2006.
4. SB06-235 – Passed. Among the changes was the additional of the SAED (Supplemental Amortization Equalization Disbursement) to further fund PERA. Detailed budget work on SAED funding will be worked on later.

Mr. Kaye further informed the Council that DHR will be engaged in designing a performance-based pay (PBP) model and creating a focus group so to have buy-in from the JBC and OSPB for PBP funding and implementation.

Benefit Programs Update

Ms. Biddle updated the Council on different benefit programs. The life insurance benefit changed from \$33,000 to \$40,000. The self-funding program performed as expected for FY 2005-06. Beginning FY 2006-07, the INO-40 plan will be eliminated due to low participation in this plan. Plan improvements were made to PPO's, e.g., lower deductible and out-of-pocket cost. Maximum benefit for dental plans will be higher. With higher state contributions beginning FY 2006-07, most state employees will pay less out-of-pocket dollars (except INO 30, a much higher cost plan). In addition, the State introduced an incentive program to encourage diabetic members to comply with prescription usage in order to reduce high-cost impact from non-compliance. After monitoring and evaluating this program, the State may pursue another program for

asthma to improve care. The Benefit Unit will focus its communication efforts on educating state employees regarding good health care behaviors.

FY 2006-07 Total Compensation Survey Implementation Update

Ms. Huang briefly updated the Council on the FY 2006-07 survey implementation: survey occupational adjustments and 75% of market employer contribution to Health, Dental, and Life (HDL) will be implemented on July 1, 2006. No PBP dollars were approved.

The group discussed how lack of PBP funding prevented employees making progress within their pay ranges. In the past, there were more employees paid at the higher end of the pay ranges, and now the pattern was shifting to the lower end. Mr. Kaye emphasized the criticality of funding PBP and implementing a true PBP system for the State of Colorado.

Membership

Mr. Kaye acknowledged the outstanding services from outgoing members: Mary Ann Myer, Ted Hollman, Joe Nicolini, and Brad Slagle. The Department will follow the appointment process to fill these positions as soon as possible.

Next Meeting

The next Council meeting is September 22, 2006. Members are welcome to email agenda items to sue.huang@state.co.us.